



Office of the Chief Economist
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**2009 Annual Meetings of
The African Development Bank Group**

**Ministerial Round Table,
High Level Seminars
& Other Thematic Seminars**

*Conference Center
Hotel Méridien le Président
Dakar, Senegal*

10–14 May 2009

2009 African Development Bank Group Annual Meetings
Dakar, Senegal
Ministerial Round Table, High-level Seminars and other Side Seminars.

The Annual Meetings of the African Development Bank (AfDB) Group Boards of Governors represents a unique opportunity for knowledge dissemination among high level decision makers in Africa, Key officials of bi-lateral and multilateral development agencies, renowned academicians, leading agents of non-governmental organizations, civil societies and the private sector.

Over the years, the Bank Group has capitalized on this unique gathering to organize a series of events prior to the formal opening of the Annual Meetings. These events have consisted of the Ministerial Round-Table Discussions, followed by a series of high level seminars which deal with specific topics of immediate relevance to policy makers, civil society organizations and development practitioners in Africa. Also, side events consisting of thematic seminars organized by various departments of the Bank and other development agencies such as the Agence Française de Développement (AFD), The Danish Ministry of Foreign Affairs, Norway Ministry of Foreign Affairs, The International Development Research Centre (IDRC), the African Economic Research Consortium (AERC), the Center for Study of African Economics (CSAE) will be taking place -- all geared towards addressing current development issues affecting the African continent.

The African Development Institute in the Chief Economist's complex has been vested with the responsibility for planning, organizing and coordinating the seminars and side events that have been programmed.

The Office of the Chief Economist collected, reviewed and compiled the various Concept Papers related to the Ministerial Round Table and the seminars to guide the discussions that will take place on the various themes. These Concept Notes have been widely circulated to the official delegates of the Annual Meetings and are available on the Bank's website (www.afdb.org). A short abstract on each of the seminars is presented in this brochure for ease of reference.

The Hôtel Méridien Président, Conference Centre in Dakar, Senegal will be the venue for the Ministerial Round Table and all other seminars and side events. The Conference Centre is equipped with adequate facilities including highly fitted rooms for various types of meetings, interpretation facilities as well as easy access.

The Chief Economist's Complex in collaboration with various departments/Units of the Bank conducted a careful selection of the chairpersons and panelists for the Round Table and other side events with a view to providing the audience with the highest level of expertise on development issues available inside and outside African.

** Names of Chairpersons, Presenters and Panelists are subject to change.*

THEMATIC SEMINARS

The Challenges of Food Security in Africa and The Responses of International Development Institutions

Date: Sunday, May 10, 2009

Venue: Meeting Room B 001

Time: 9:00 a.m. – 11 a.m.

Moderator:

Mr. Ousseini SALIFOU, Commissioner for Agriculture, Environment and water Resources, ECOWAS

Presenter:

Mr. Bachir DIOP, Director General of SODEFITEX

Panellists:

Mr. Mohamed MANSSOURI, Senior Agricultural Specialist at IFAD

Mr. Akin ADESINA, Vice-president, AGRA

Mr. Gilles PELTIER, Special Adviser to the AFD Director General

Mr. Aly ABOU-SABA, Director, Agriculture and Agro Industry, AfDB

The 2008 food crisis revealed the under-investment in food production and food markets in Africa over the last decade. In spite of this very weak level of support the African food production had been so far able to supply a large share of the local and regional markets, following demographic increases. For the campaign 2008-2009, the provision of seeds and fertilizers helped in maintaining or increasing the production of staple crops, especially cereals. However, when one takes into account the expected increases of population, together with the trend towards more urbanization, the evolution of diets, and the pressures on natural resources, the situation of food security is likely to get worse in the coming years without right policies and substantial investments. The marketing of crops and increasingly of processed food remains a critical question; it encompasses the question of employment in rural areas and the question of prices stabilization.

This side-event will deal with a set of key issues to be addressed to enhance food production in Africa, in the view of (i) sharing a common diagnostic on several bottlenecks of food security; (ii) debating of the responses from development financial institutions, with a particular insight in the future.

Topics:

- 1) The question of accessibility and price volatility/The need for better information systems.
- 2) Marketing staple food: roles of producers organizations in the value-chains.
- 3) Access to credit for food producers: innovative tools for a greater implication of banks and micro-finance institutions.
- 4) Food processing of African local food commodities: added value and supply of cities.

Dissemination of The African Economic Outlook

Date: Sunday, May 10, 2009

Room: Chef de délégation – A001

Time: 11:00 a.m. – 12:30 p.m.

Chairperson:

Mr. Charles Dibi KOFFI, Minister, Ministry of Economy and Finance, Côte d'Ivoire

Speakers:

Mr. Louis KASEKENDE, Chief Economist, AfDB.

Mr. Javier SANTISO, Director, OECD Development Centre, France.

Mr. Leonce NDIKUMANA, Director, Research Department, AfDB.

Mr. Mahamat ABDOULAH, Director, Trade Finance and Economic Development Division, UNECA

The African Economic Outlook (AEO) is an annual publication jointly prepared and published by the Bank, the United Nations Economic Commission for Africa (UNECA), and the Development Centre of the Organization for Economic Co-operation and Development (OECD). The AEO has received continuous generous financial support from the European Commission.

The Report surveys and analyzes the current socio-economic performance of African economies and provides information on a country-by-country basis on the socio-economic progress as well as on short to medium term prospects of the African countries. Each year, the Report addresses a specific theme that focuses on a critical, but under-researched, area of Africa's socio-economic development. The theme for this year is: "*ICT and Africa's Development*". The Report is in three parts: an overview of specific international developments that may impact on African economies; country notes on selected number of countries; and selected Statistical Appendix on African countries. The current edition of the Report is the eighth of its kind and covers 47 African countries, an additional 11 countries compared to the previous edition.

The key objective of the AEO is to broaden the knowledge base on African economies and to offer a valuable support for policymaking, investment decisions and donors' interventions. Another important objective is that of capacity building. Through the involvement of African experts and institutions in the Report's preparation, it increases research capacity and reinforces the ownership of the AEO by African local experts.

African Capital Markets Seminar Making Finance Work for Africa

Date: Sunday, May 10, 2009

Room: Le Flamboyant

Time: 2 p.m. – 4:30 p.m.

Moderator:

Mr. Stefan NALLETAMBY, Director, AfDB

Speakers:

Mr. Thierry de LONGUEMAR, Vice-President Finance, AfDB

Mr. Jackson KITILI, Director, National Debt and Financial Markets Department, Central Bank of Kenya

Mr. Homealo GBEAFOR, Head of Capital Markets Operations, BCEAO

Ms. Gail MAKENETE, Head of Capital Markets Operations, Bank of Lesotho

The current financial crisis has not only affected the financial sector in Africa, but its impact is also being transmitted to the broader economy as a result of declining export revenues and sudden reversal in private capital flows, which hitherto have helped finance long-term investments. Furthermore, there are budgetary concerns, arising from the probable reduction in aid assistance, coupled with limited access to international capital markets.

In the light of the deteriorating fiscal space of African countries, there is an urgent requirement for governments to mobilize resources from domestic capital markets to help meet their budget shortfalls. Deep and liquid domestic bond markets will ensure long-term debt in local currency and contribute to assisting countries smoothen cyclical financial demands, thus weathering international economic cycles.

Having recognized the importance of domestic resource mobilization, which was reiterated at the Tunis Ministerial Conference, the AfDB launched the African Financial Markets Initiative (AFMI) in February 2008, as part of its contribution to the development of capital markets in Africa. This initiative aims to contribute to the medium to long-term development and deepening of domestic bond markets. This will be through enhancing the domestic bond market infrastructure and investing in local currency-denominated debt, thereby improving the long-term resilience of African financial systems and ensuring sustainable domestic resource mobilization.

Within the AFMI framework, the AfDB conducted a bond market study, co-funded by USAID through the Partnership for Making Finance Work for Africa. The study provides an assessment of the level of development of African bond markets and a comprehensive snapshot of existing initiatives dedicated to bond market development. As a result of the study, development partners were able to identify existing and planned bond market initiatives, including potential synergies, in order to avoid duplication of efforts.

As a prerequisite to sustainable development of bond markets, a sound regulatory framework

is required for prudential oversight of the financial markets, products and participants, while promoting greater transparency and risk management, through an improved balance sheet approach to public debt management.

Inputs and participation from regional member countries is critical for the success of the AFMI, as it will ensure co-operation, South-South collaboration and knowledge sharing. The AFMI proposes the establishment of several multi-disciplinary working groups as platforms for regular forums for policy dialogue and technical assistance, to cover specific bond market development areas.

The main objective of the seminar is to enable participants to share experiences and explore policy options for developing efficient bond markets. Specifically, it is aimed at:

- (i) Discussing the results of bond market mapping study and the need for sustainable development of domestic resource mobilization through the AFMI, and other avenues such as South-South collaboration and regional initiatives;
- (ii) Facilitating sharing of knowledge and approaches adopted by countries to develop bond markets in their regions; and
- (iii) Discussing the effectiveness and transparency of regulatory frameworks as part of an enabling environment for issuers and investors.

The expected outcomes include:

- (i) Identification of areas requiring further research and analytical work on bond market development;
- (ii) Knowledge-sharing and identification of potential capacity building gaps and needs related to bond market development; and
- (iii) Strengthening of policy dialogue on regulatory issues.

Session 1: Sustainable domestic resource mobilization through domestic bond market development

This session will draw on the experiences of various African countries to review initiatives dedicated to bond market development on the continent. It will enable participants to discuss whether the establishment of multi-disciplinary working groups at regional level is a means to better knowledge-sharing and collaboration.

Session 2: Transparency and accountability through effective debt market regulation

This session will stimulate discussion on the prevailing regulatory environment in African debt markets by assessing whether the regulatory frameworks promote and enhance greater transparency, reduce systemic risk, and protect investors. It will also consider what measures should be taken by African countries to improve their regulatory frameworks.

Presentation of the 2008/2009 African Development Report (ADR)

Date: Sunday, May 10, 2009

Room: Meeting Room PB/C012

Time: 4 p.m. – 6 p.m.

Chairperson

Dr. Samura KAMARA, Minister, Ministry of Finance and Development, Sierra Leone

Speakers:

Mr. Louis Kasekende, Chief Economist, AfDB.

Mr. Leonce NDIKUMANA, Director, Research Department, AfDB.

Mr. Abdoul KAMARA, Manager, Research Division, Research Department, AfDB

The theme for the 2008/2009 ADR is: *Conflict Resolution, Peace and Reconstruction in Africa*. Several African countries are currently experiencing violent conflict; many more face the threat of violent conflict; while others are just emerging from it. Civil conflict has been the most common type of conflict in Africa in recent years. The 2008/2009 ADR focuses on conflict resolution, peace, and post-conflict reconstruction in Africa. “Reconstruction” is used in a broad sense—the rebuilding of economic systems, infrastructure, and institutions destroyed by war. Thus, peace building is a form of reconstruction, peace being the object of reconstruction. Reconstruction also encompasses the rehabilitation of basic services like health and education. The sheer diversity of conflict type and experiences suggests that a single report will not do justice to all the relevant issues. Thus, the Report focuses on a critical subset of questions: What do we know about the nature, causes, and consequences of violent conflicts? How can we use this knowledge to prevent and resolve conflict, mitigate their consequences, build peace, and facilitate post-conflict reconstruction? The Report looks at internal conflicts occurring within a state, the most common type of conflict in Africa since the end of the cold war.

The Report is made up of five Chapters: Chapter 1 surveys available evidence on the causes of violent conflict and examines trigger factors that actually ignite conflict. Chapter 2 examines the social and economic consequences of conflict. Chapter 3 assesses and recommends policies for conflict prevention and resolution, and peace-building in post-conflict societies. Chapter 4 recommends policies for promoting post-conflict reconstruction and development, and Chapter 5 concludes the Report with a focus on African Development Bank’s support to fragile states, including conflict-affected countries.

Strategic Role of Procurement in Improving Performance and Development Effectiveness

Date: Monday, May 11, 2009

Room: Chef de delegation

Time: 9:30 a.m. – 12:00

Special Guest Speaker: (to be determined)

Panel 1 : Strategic role of procurement in improving development performance and effectiveness

Moderator :

Mr. Abdoulaye Bio TCHANE, President, Banque Ouest Africaine de Développement (BOAD), Togo

Panellists:

Mr. Charles COFIE, Chief Executive Officer Unilever Ghana, Ghana Employers Association- Ghana

Ms. Fatma BALDEH NJIE, Representative of the Association of NGOs, Gambia

Mr. Thierry de SAINT MAURICE, Chef de délégation, Commission de l’Union Européenne - Senegal

Mr. Youssouf SAKHO, Directeur de l’Agence de Régulation des Marchés Publics -Senegal

Mr. Vinay SHARMA, Director, Procurement and Fiduciary Services, AfDB

Panel 2 : National procurement systems: Challenges and Opportunities in Africa.

Moderator :

Dr. Caleb FUNDANGA, Governor, Central Bank of Zambia

Panellists

Mr. Abdelmehjid BOUTAQBOUT, Directeur de la Trésorerie Principale du Royaume du Maroc, Morocco

Mr. Bernard BECQ, Chief Procurement Policy Officer, World Bank

Mr. John BURTON, Chief, Pan-African Strategy Department, DFID

Mr. Paul Mwaniki GACHOKA, Chairman Public Procurement Oversight Authority, Kenya

Mr. Jean-Louis BILLON, President, Chamber of Commerce, Côte d’Ivoire.

Public procurement to a large extent determines the way in which countries use resources from development aid. The strategic role of procurement in improving development performance and effectiveness is highlighted in the need to address institutional weaknesses, wastage of resources due to inefficient practices, obstacles to competition and higher prices due to the risk perception by markets. In that regard, the Bank has striven over the past two years to respond to these concerns with a view to strengthening the procurement practices. These improvements

are aimed at addressing some of the causes that have led to delays in project implementation resulting from the management of the procurement of goods, works and consultancy services that constitute a recurrent characteristic of Bank projects. Furthermore, there was a need to streamline the Bank's procurement procedures to bring them in line with those of the other multilateral development institutions. Against that backdrop, major initiatives have been taken to improve Bank's performance, consolidate its comparative advantage and enhance its strategic positioning vis-à-vis African countries.

This seminar event on Public Procurement in Africa therefore offers the Bank the opportune moment since the implementation of its reforms, to present to its clients the institution's new strategic framework on procurement and fiduciary services aimed at significantly improving the effectiveness of its development aid. Furthermore, the Round Table will enable the Bank to demonstrate its determination to promote the increased use of national procurement systems in line with the May 2008 Accra Declaration. It also emphasizes the necessary conditions for attaining the set objectives within the framework of the aid harmonization and alignment process, and initiatives to strengthen the private sector for enhanced competitiveness. The themes proposed for discussion during the Round Table by the various stakeholders relate to the issue of procurement in Africa and aim at offering strategic orientations that will produce tangible results on the ground. The themes hinge on such subjects as: (i) the Strategic Role of Procurement in Improving Performance and Development Effectiveness; (ii) the Bank's New Strategic Framework on Procurement and Fiduciary Services; (iii) Challenges and Opportunities from Using National Systems; and (iv) Transparency and Integrity in Procurement.

China - Africa Trade, Investment and Policy Issues

Date: Monday, May 11, 2009

Room: Meeting Room C 005/006

Time: 9:30 a.m. – 12:00

Chairperson:

Dr. Mansur MUKHTAR, Hon. Minister of Finance. Federal Ministry of Finance, HQ Abuja

Speakers:

Prof. Ademola OYEJIDE, University of Ibadan, Project Coordinator, Nigeria

Prof. Francis MWEGA, University of Nairobi, Project Coordinator, Kenya

Discussants:

Prof. Mike MORRIS, University of Cape Town, Project Coordinator, South Africa

Dr. Kupukile MLAMBO, Adviser, Office of the Chief Economist, AfDB

Asia has emerged as a major power within the global economy, as a result of the phenomenal growth of the economies of China and India in the past 25 years or so. The spectacularly rapid and sustained expansion of these giant economies has been associated with a robust and increasing intensification of the economic relationships of these countries with those of Sub-Saharan Africa. These twin developments are, in turn, associated with both opportunities and challenges for African countries.

In view of the significance of China's trade, investment and aid relations with SSA and in order to gain experience in analysis of impact of other emerging countries such as India, Brazil and Russia on SSA, the AERC embarked on a research project on *Impact Analysis of China-Africa Economic Relations*. The primary aim of the study was to contribute to knowledge for use by policy makers and other stakeholders, on the *Impact of China-Africa Economic Relations* by undertaking a comprehensive analysis of the key features and patterns of the past, current and future evolution of the economic relations between specific Sub-Saharan African countries and China.

The objective of the project was to provide a basis for achieving a fuller understanding of the country and sector specific impacts of the relationships, the associated opportunities and challenges for the development prospects of the African countries, as well as an articulation of the appropriate overall and sector-specific policy measures that individual African countries may wish to take in order to advance their interests in the light of the impacts experienced and the opportunities and challenges faced.

The project had two inter-related dimensions, namely: a scoping study of the immediate past and current trade, investment and aid relations between China and sub-Saharan African countries; and an in-depth empirical analysis of the impact of China interventions through Trade, Investment and Aid on a set of sub-Saharan African countries.

This seminar is therefore designed to present findings from the scoping studies conducted in 21

African countries with a view to informing policymakers on opportunities arising from Chinese interventions in Africa and also challenges imbedded in those interventions that could impact on Africa's sustainable development prospects. This has become even more pertinent in the wake of unfolding global financial and economic crises and their implications for China-Africa economic relations.

**Infrastructure Consortium for Africa (ICA)
Public-Private Infrastructure Working Group Meeting**

Date: Monday, May 11, 2009
Room: Meeting Room B 005/006
Time: 2:30 p.m. – 5:30 p.m.

Participants:

The expected participants include senior executives of power project developers and financiers, African Ministers of Finance and Energy, and representatives from the AfDB, the World Bank, EIB, and IFC.

The Infrastructure Consortium for Africa (in conjunction with the U.S. Department of the Treasury and the African Development Bank) will host a meeting of its Public-Private Infrastructure Working Group as a side event of the AfDB Annual Meetings. The working group, inaugurated at an October 2008 symposium at the U.S. Department of the Treasury, promotes frank dialogue between the private sector, African government officials, and development assistance providers on barriers to private investment in African infrastructure. In Dakar, the working group will continue its focus on the power sector. Closing Africa's power infrastructure gap requires an estimated \$29 billion per year in capital expenditures over the next ten years. Mobilizing private investment, particularly in generation, is crucial to reaching that targeted level of investment.

**Joint IFI Action Plan for Private Sector in Africa:
Response to the Financial Crisis and African Financing Partnership**

Date: Monday, May 11, 2009
Room:
Time: 4 p.m. – 6 p.m.

Topic: *African Financial Markets Initiatives*

Presenters:

Mr. Thierry TANOH, Vice President, Africa and West Europe, IFC
Mr. Jean-Philippe PROSPER, Director, East Africa, IFC
Mr. Said AISSI, Assistant Director-General, OFID
Mr. Scott STEVENSON, Manager, Global Trade Finance, IFC
Mr. Bruno WENN, Senior Vice President, KfW

Topic: *Africa Infrastructure Initiatives*

Presenters:

Mr. Mandla GANTSHO, Vice President, Infrastructure, Private Sector & Regional Integration, AfDB
Mr. Tim TURNER, Director, Private Sector Operations, AfDB
Mr. Hela CHEIKHROUHOU, Division Manager, Infrastructure Finance, AfDB

Topic : *African Agribusiness Fund*

Presenter:

Mr. Gilles PELTIER, Adviser to the General Manager, Agence Française De Développement (AFD)

Press Briefing

On 14th April 2009, the African Development Bank co-hosted a Roundtable on the Joint IFI Action Plan for Private Sector in Africa on the Response to the Financial Crisis in Tunis, with the IFC. A key outcome of the roundtable was a joint decision of the international financial institutions (IFIs) to act on the absolute and urgent need to collaborate and coordinate initiatives to mitigate the impact of the global economic crisis on the private sector in Africa.

Strengthening the Focus on Development Results: Recent Progress

Date: Monday, May 11, 2009
Room: Meeting Room C 005/006
Time: 4:30 p.m. – 6:30 p.m.

Chairperson::

M. Aloysius ORDU, Vice President, Country and Regional Programs and Policy, African Development Bank.

Panelists:

H.E. Lucien Marie-Noël BEMBAMBA, Minister of Economy and Finance, Burkina Faso.

H.E. John RWANGOMBWA, Permanent Secretary and Secretary to the Treasury, Minister of Economy and Finance, Rwanda.

Mrs. Ellen GOLDSTEIN, Director, Quality Assurance and Results Department, AfDB.

ADF Deputies representative

M. Kevin MULLALLY, USAID Mission Director for Senegal

Edita VOKRAL, Vice-Directrice de la DDC, Cheffe Coopération régionale, Département fédéral des affaires étrangères DFAE, DDC Domaine de direction Coopération régionale.

Community of Practices for MFDR

M. Seydou YAYE, Community of Practices for MFDR, Niger.

M. Sylvester OBONG, Community of Practice for MfDR, Kenya.

Parliamentarians

M. Jameleddine KHEMAKHEM, Senator, member of Panafrican parliament, Tunisia.

M. Luc OYOUBI, Member of Parliament, Chairman of the Commission of Finance, House of Parliament, Gabon.

Civil Society Representative

Mrs. Florence ETTA EBAM, African Gender Development, Kenya.

The seminar will feature presentations by *a small panel* of high-level officials from regional member countries and AfDB management, as well as comments from representatives of the African Community of Practice for Managing for Development Results (AfCoP-MfDR), Parliamentarians, civil society and ADF deputies.

Last year at this time, Africa was looking at a bright development outlook, with many arguing that the continent had turned a corner after decades of economic stagnation and poor development outcomes. Indeed, in 2007, the continent recorded a growth rate of over 5 percent for the sixth consecutive year – an unprecedented achievement.

Today, the picture is, dramatically different. The global economic crisis is creating greater obstacles

for Africa's development as investment dwindles, tax revenues falter and aid flows are at risk. Development partners need to counter this sobering reality by ensuring that timely responses will be followed by sustainable results. While the international community has pledged much-needed funds to face the crisis, the quality of this aid and its effective use are equally critical to ensure that people move out of poverty. Traditional approaches will be tested by their capacity to achieve substantial improvements in the lives of Africans within a short period of time.

The Accra Agenda for Action and its focus on enhancing country capacity, building a more effective and inclusive partnership and strengthening the focus on development results will play an important role in this effort. Responding adequately to such challenges will require stronger coordination, and open dialogue between a variety of players, not least of which are African populations and their representatives. This event is one small step in that direction.

The *goal* of this seminar is to provide a forum for discussion among policy makers, development partners' representatives, parliamentarians and civil society to brainstorm on innovative approaches to secure the recent gains in development effectiveness and deliver results while responding adequately to the economic crisis.

The first part of the seminar will feature short presentations from selected Government officials and the Bank on good practices in terms of policies and measures to improve the effectiveness of development finance while taking stock of the challenges imposed by the financial crisis to implement these interventions. Parliamentarians, civil society members and development practitioners will then share their perspectives on how to reinforce partnerships between Governments, development finance institutions, the donor community and civil society to ensure that these good practices help meet the priorities of African communities and lead to concrete improvements in their lives.

Some of the *key questions* that will be discussed during the seminar are: how is the economic crisis affecting the ability of African governments and institutions to deliver services effectively? What measures are African governments and institutions taking to increase development effectiveness in order to make the most of limited resources? How can the donor community, in general, and the African Development Bank, in particular enhance aid effectiveness while adapting responses to the crisis? How can parliaments and civil society organizations best ensure accountability from Governments' use of development resources in times of crisis?

THE MINISTERIAL ROUND TABLE and RELATED HIGH LEVEL SEMINARS

The Ministerial Round Table Discussions is the key event of the Annual Meetings Seminars, taking place a day before the formal opening of the Bank Group Annual Meetings. It is a plenary session attended by high level dignitaries from Africa and other regions of the world, development experts from multilateral, bilateral, non governmental organizations, civil societies, private sector and the academics. An estimated 400 to 500 participants are expected to attend this plenary session.

THE PLENARY SESSION – Ministerial Round Table Discussions

Africa and the Financial Crisis: An Agenda for Action

Date: Tuesday, May 12, 2009

Room: Plenary Hall

Time: 9 a.m. – 12 noon

Chairpersons:

Dr. Donald KABERUKA, President, African Development Bank Group

Mr. Abdoulie JANNEH, Executive Secretary, UN-ECA, Ethiopia

Panelists:

H. E. Mr. Trevor MANUEL, Minister of Finance, South Africa

H.E. Mr. Karim DJOUDI, Minister of Finance, Algeria (tbc)

Prof. Paul COLLIER, Director, Center for Study of African Economics (CSAE), United Kingdom

Ms. Razia KHAN, Regional Head of Research, Africa, Standard Chartered Bank, Plc, United Kingdom

While the first round effects of the financial crisis on Africa were limited, it has become clear that the real sector has been hit hard by the crisis. There are genuine fears that the long-term impact will be significant and will last longer than initially anticipated. Already, economic growth estimates in Africa have been revised downwards. The expected growth deceleration poses a major threat to the poverty reduction agenda. Further, as the continent becomes more integrated into the global economy, it will suffer more pronounced first-round effects of similar shocks in the future.

Given the diversity of social and economic circumstances of the countries, it is crucial that responses to the crisis are tailored and targeted to country specificity, to give them adequate policy space to respond to the crisis. Fragile states, landlocked countries and middle-income countries require country-specific strategies and instruments to contain the negative impacts of the crisis. Issues such as access to financing, regional integration and trade, decades of reforms and fragile states are crucial.

THE HIGH LEVEL SEMINARS

HIGH LEVEL SEMINAR N° 1

The Global Financial Crisis and Fragile States in Africa

Date: Tuesday, May 12, 2009

Room: Meeting Room B 005/006

Time: 2:30 p.m. – 4:00 p.m.

Chairperson

H. E. Dr. Lual DENG, State Minister of Finance, Ministry of Finance and National Economy, Sudan

Panelists:

H. E. Dr. Samura KAMARA, Minister of Finance and Development, Ministry of Finance and Development, Sierra Leone.

H.E. Mr. Athanase Matenda KYELU, Minister of Finance, Democratic Republic of Congo.

Prof. Paul COLLIER, Director, Center for Study of African Economics (CSAE), United Kingdom

This high level seminar will discuss the effects of the global financial crisis on fragile states, mediated through trade, foreign aid, remittances, foreign direct investment, the financial sector, and exchange rates. Fragile states are particularly vulnerable to external shocks: they have less foreign reserves and savings, and fewer policy options in place to counter the effects of such shocks. Growth deceleration, possible cuts in aid flows, and reduced export revenues may result in, or exacerbate, existing balance of payments and budgetary constraints, forcing African governments to make major macroeconomic adjustments. However, fragile state governments are not well placed to make such adjustments because of their weak institutions or state of crisis. Social safety nets are needed to cushion the effects of the global financial crisis on vulnerable groups in fragile states. However, weak institutions in Africa might undermine the effectiveness of measures aimed at introducing social safety nets or using existing ones. The effects of the crisis in fragile states could thus be far reaching.

Pressure to mount stimulus packages similar to those being implemented in advanced economies will increase. However, any stimulus package would drain foreign exchange reserves if it is not supported by increased aid inflows. The reason is that government spending tends to have a high import content in African countries, unlike in advanced economies. Even expenditures targeted on domestically produced resources may eventually spill over into demand for imports.

Fragile states have a very limited menu of policy options to mitigate the effects of shocks. Living standards will deteriorate and the crisis will increase the risk of falling back into crisis. It is critically important to mobilize a comprehensive rescue package to assist this group of countries to mitigate the impact of the crisis. Interventions in these countries must be swift, targeted, and well coordinated. The Bank can play a critical role in mobilizing resources for these countries

through its core programs as well as in targeted interventions such as the *Fragile States Facility* or even trust funds earmarked for that purpose. It can also assist by facilitating coordination among development partners.

HIGH LEVEL SEMINAR N° 2

The Financial Crisis, Trade and Regional Integration in Africa

Date: Tuesday, May 12, 2009

Room: Meeting Room C 005/006

Time: 2:30 p.m. – 4 p.m.

Chairperson:

Dr. Mohamed Ibn CHAMBAS, President ECOWAS Commission, Nigeria (tbc)

Panelist:

Mr. Abdoulaye BIO-TCHANE, President, West African Development Bank (WADB), Togo

Mr. Sindiso NGWENYA, Secretary General, Common Market for Eastern and Southern Africa (COMESA), Zambia

Prof. T. Ademola OYEJIDE, Professor of Economics and Director, Trade Policy Research and Training Program, University of Ibadan, Nigeria

Trade has been one of the major drivers of Africa's growth surge in the last ten years. The sustainability of this trade-led growth is now threatened, as a result of the global financial crisis. This comes at a time when progress in the Doha Trade Round, that would have accelerated trade integration, has stalled and fears of increased trade protectionism are growing.

Africa's share of global trade is still marginal, amounting to only 3 percent in 2008. In addition, intra-African trade remains modest, representing just 8.3 percent of exports and 9.3 percent of imports. This poor performance of the continent is a result of both infrastructural constraints and poor trade facilitation such as customs and standards that make the movement of goods on the continent costly, thus its reduced competitiveness in global trade.

Efforts to address the existing constraints are already underway and the crisis presents an opportunity for Africa to accelerate the pace towards deeper regional integration. Issues of multiple memberships, harmonization and coordination of regional trade policies, and improvements in trade facilitation have recently been attracting donor interests. In light of the projected declines in donor funds due to the crisis, the Bank needs to play a catalytic role, to forge ahead with deeper regional integration, riding on the current wave of political support being expressed by Regional Member Countries (RMCs).

As the impact of the financial crisis continues to unfold, Africa remains challenged to think out of the box, as the continent seeks appropriate responses to the crisis. In particular, the efficacy of some of the suggested solutions needs further interrogation.

In this context, the Bank can play a critical role, notably through innovative mechanisms such as the proposed *Trade Finance Facility* to address the shortage of trade financing. The *Aid for Trade initiative* can also contribute to addressing supply side constraints to promote trade. Furthermore, the Bank can leverage its experience and capacity in order to mobilize and coordinate interventions by other partners to advance the regional integration agenda.

HIGH LEVEL SEMINAR N° 3

The Financial Crisis and Decades of Reforms: Options for Africa's Future

Date: Tuesday, May 12, 2009

Room: Meeting Room B 001

Time: 4:30 p.m. – 6 p.m.

Chairperson

H.E. Mr. Lazare Essimi MENYE, Minister, Ministry of Finance, Cameroon

Panelist:

H.E. Dr. Situmbeko MUSOKOTWANE, Minister, Ministry of Finance and National Planning, Zambia

Dr. Antoinette SAYEH, Director of the Africa Department, IMF, USA

Prof. Paul COLLIER, Director, Center for Study of African Economics (CSAE), United Kingdom

Prof. Mamadou DIOUF, Professor, Columbia University, USA

This high level seminar is aimed at examining the financial crisis from the perspective of the continent's reform efforts, and risk of policy reversals and sliding back from those reforms. Improved policies, institutions and political leadership in Africa over the past decades have played a critical role in improving the continent's key macroeconomic fundamentals. The reform dividends have resulted in improved economic performance as reflected in the resurgence of robust economic growth, fiscal surpluses, single-digit inflation rates, low and declining external debt burden. These gains, achieved through difficult reforms, are threatened by the current economic crisis. In particular, the crisis has caused a deterioration of macroeconomic balances in most African countries. With an overall projected budget deficit of about 5.4% of GDP and a current account deficit of 3.8% of GDP in 2009 for the continent.

While the current crisis has affected all the countries, it appears that countries that had stronger economic fundamentals before the crisis have weathered the storm better so far. These are typically the ones that successfully implemented comprehensive economic reforms. The lesson is that reforms are not only important for achieving higher economic performance, but they are also essential for cushioning the effects of external shocks. Thus, while focusing on mitigating the impact of the crisis, it is important that African countries do not backslide in their reform programs. To sustain the reform efforts, African countries will need strong and targeted assistance from development partners, including the African Development Bank. In particular, it is necessary to scale up the resource envelope at the disposal of regional and sub-regional banks to enable them to effectively respond to the crisis. In addition to scaling up resources, the crisis and post-crisis situation calls for more policy flexibility in order to optimize resource utilization.

It is also critical for African countries to adopt pragmatic approaches to the speed of adjustment and the sequencing of economic reforms in light of the financial crisis. Further, regional member countries should critically revisit and strengthen the role of the state in support private sector development.

The discussions would be centered on the implications of the current financial crisis for the continent's reform efforts, especially highlighting the risk of policy reversal.

HIGH LEVEL SEMINAR N° 4 ***The Financial Crisis and Access to Financing***

Date: Tuesday, May 12, 2009

Room: Meeting Room Chef de delegation – A 001

Time: 4:30 p.m. – 6 p.m.

Chairperson

Mr. Emmanuel Tumusiime MUTEBILE, Governor, Central Bank of Uganda

Panelist:

Mr. Lionel ZINSOU, Member of the Executive Committee, PAI Partners, France

Mr. Stuart CULVERHOUSE, Chief Economist, Head of Research, Exotic Ltd, United Kingdom

Mme. Maria RAMOS, Group Chief Executive, ABSA Group Ltd, South Africa.

Africa's access to international capital has been substantially reduced as a result of the financial crisis. Foreign lines of credit have virtually closed. Local banks that have relied on lines of credit from the international capital markets have had to scale back operations or have turned to alternative sources of financing from regional development banks, such as the African Development Bank. Private capital flows, which have recently overtaken Official Development Assistance (ODA) in Africa (increasing from US\$ 29 billion in 2000 to US\$ 52.98 billion in 2007) are now severely at risk of drying up as a result of the financial crisis. Similarly, remittances have already started to decline significantly due to the economic down turn in developed and emerging economies.

The current crisis and the resulting difficulties faced by African governments and the private sector in accessing finance in the international markets calls for increased efforts to improve domestic resource mobilization. This will require deepening domestic financial intermediation to mobilize savings, increasing instruments for maturity transformation to meet long-term investment needs, and providing adequate incentives and capacity to banks to lend to traditionally credit rationed sectors. To channel resources more efficiently, it is important to explore the use of innovative mechanisms for reducing risks such as loan guarantees, which have proven to be effective in developed countries and several African countries. Moreover, developing national and regional bond markets can help channel excess banking sector liquidity into productive sectors. In this context, the African Development Bank could play an important role through the issuing of bonds in local currencies.

Launch of the Natural Resources Charter

Date: Wednesday, May 13, 2009

Room: Le Flamboyant

Time: 7 a.m. – 8:30 a.m.

Presenter:

Prof. Paul COLLIER, Director, Center for Study of African Economics (CSAE), United Kingdom

Moderator:

Mr. Louis KASEKENDE, Chief Economist, AfDB

The Natural Resource Charter is a set of economic principles for governments and societies on how to use the opportunities created by natural resources effectively for development. Many African countries are potentially resource-rich, yet in the past these opportunities have often not been fully harnessed.

Government is central to the successful harnessing of natural assets for development, far more so than for other economic activities. However, the decisions that governments must take in order to harness natural resources cover a wide range of issues and are sometimes complex. They extend along the value chain from encouraging the discovery of natural assets, through their effective taxation, to the ways in which resource revenues are best deployed for a productive economy. The decisions involved in this chain are distinctive to natural resources and so require specialized knowledge. They have major economic consequences: the difference between well-managed and badly-managed natural assets is enormous. Because the decisions are wide-ranging, complex and specialized, it is easy to make mistakes.

The Natural Resource Charter seeks to provide new economic guidelines to inform the decisions essential for effective management of natural resources. It has been developed by independent academic economists and lawyers, under the leadership of Nobel Laureate Michael Spence, for use by the governments and societies of resource-rich countries. It has been built through extensive consultation with the African Development Bank and a wide range of pertinent practitioners, but (unlike EITI) it does not seek governments to make undertakings. Rather, it is an information tool to help decision taking. It is designed as a website which is pitched at several different levels of detail and complexity. The top level is a one-page list of 'Precepts': simple rules-of-thumb that constitute a check-list of the decision chain. The next level provides a brief, easy-to-read exposition of each Precept. Further levels provide the meat of the Charter and are pitched at Ministers and senior civil servants who are responsible for the pertinent decisions.

The Charter can be downloaded at naturalresourcecharter.org.

Presentation of the African Commission Report

Date: Wednesday, May 13, 2009

Room: Le Flamboyant

Time: 12:30 p.m. – 2:30 p.m.

Chairpersons:

Ms. Ulla TOERNAES, The Danish Minister for Development Cooperation

Dr. Donald KABERUKA, President, AfDB

Speakers:

Commissioner I, (tbc)

Commissioner II, (tbc)

The overall objective of this side event, which is sponsored by the Danish Minister for Development Cooperation, is to present the African Commission Report. The Danish Prime Minister established an Africa Commission last year with President Kaberuka as one of the prominent Commissioners. The Commission has had a number of seminars, workshops and high level meetings. The final Report will be presented to the Commissioners at their last meeting in Copenhagen on the 7th of May 2009. After this meeting the Report and its recommendations will be widely communicated to relevant audiences. The Annual Meetings of AfDB is an opportunity to do this.

Safeguarding Development Results through Independent Oversight: The Role of Independent Audit, Evaluation and Compliance Reviews

Date: Wednesday, May 13, 2009

Room: Meeting Room Chef delegation – A 001

Time: 3 p.m. – 5 p.m.

Chairperson

Mr. Abdou Bame GUEYA, President de la Cour des Comptes et Membre de Conseil de l' AFROSAI, Dakar, Senegal

Presenters:

Mr. Eddie OUKO, Auditor General, AfDB

Mr. Colin KIRK, Director, Operations Evaluation Department, AfDB

Mr. Per Eldar SOVIK, Director, Compliance Review and Mediation Unit, AfDB

Discussant:

Mrs. Ndèye Coumba FALL, Executive Director, West Africa Rural Foundation (WARF), Dakar, Senegal

The African Development Bank aims to promote sustained growth and successful development across Africa through development finance and other forms of assistance. To achieve the best results, the Bank needs to manage its activities and resources in ways which are efficient, effective and economical, and which minimize possible adverse consequences for Africa's people and

environment. The Bank's independent oversight mechanisms exist to provide public assurances that the Bank remains true to its mission. Yet the role and contribution of these oversight systems is not always well understood.

The purpose of this seminar is to examine the contribution made by the Bank's independent oversight mechanisms in delivering and safeguarding development results and achieving development effectiveness. The topic is of general interest to the Bank's shareholders as well as other stakeholders who are concerned with integrity, accountability and performance issues. Independent audit, evaluation and compliance review each contribute in different ways towards improving the effectiveness of the Bank's operations, and towards ensuring sustainable results. These mechanisms are key elements of the Bank's corporate governance, helping to ensure integrity and accountability.

The Office of the Auditor General (OAGL), the Operations Evaluation Department (OPEV) and the Compliance Review and Mediation Unit (CRMU) each has its own specific role and mandate. But there are some common features, including independence from line management, a focus on accountability, integrity and transparency, and a commitment to learning and improvement. The seminar will examine the contribution the oversight units make not only in strengthening the Bank's policies, operations and overall management, but also in helping to safeguard and build the Bank's credibility and reputation as 'Africa's premier development finance institution'.

Tax Havens and Illicit Financial Transactions

Date: Thursday, May 14, 2009

Room: Le Flamboyant

Time: 1 p.m. – 2:30 p.m.

Chairpersons:

Mr. Haakon GULBRANDSEN, State Secretary of the Norwegian Ministry of Foreign Affairs, Norway

Mr. Donald KABERUKA, President, AfDB

Discussants:

Mr. Raymond BAKER, Head of the US Think Tank Global Financial Integrity

Mr. Leonce NDIKUMANA, Director, Research Department, AfDB

A Governor from an African country (tbd)

A participant from the CSO (tbd)

Africa is more severely affected by illicit capital flows than other regions of the world. Norway heads the international task force on illicit financial flows and illicit financial flows, which delivered its report to the second Financing for Development Conference in Doha in 2008. Tax Havens and Illicit Financial Transactions have been a major issue during the G20 process leading up to the London Summit on 2 April. In the "African Perspectives and Recommendations" from the Committee of African Finance Ministers and Central Bank Governors to the G20 Summit, these issues have also been addressed. Hence, this seminar would be looking at these issues with a focus on the financial crisis and its impact on Africa.

